

BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: 7/14/2004

Division Management Services

Bulk Item: Yes      No X

Department: OMB

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**AGENDA ITEM WORDING:**

Request for approval to refund de-obligated costs of \$58,682.50 from disaster -1259 (Tropical Storm Mitch) to The Florida Department of Community Affairs as per Audit Report E-06-03 Office of The Inspector General. (See Attached)

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**ITEM BACKGROUND:** \*\* The Office of the inspector General audited public assistance funds awarded to Monroe County. The audit was performed in order to determine whether the County accounted for and expended funds according to Federal regulations and FEMA guidelines. The County received \$2.6 million from The Florida Department of Community Affairs, a FEMA grantee, to remove debris and provide emergency protective measures as a result of Tropical Storm Mitch. Result of the audit questioned costs of \$66,308 (FEMA share = 75% or 49,731) + (DCA share = 12.5% or \$8,288.50) resulting from excessive debris removal charges and a mathematical error.

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**PREVIOUS RELEVANT BOCC ACTION:**

None

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**CONTRACT/AGREEMENT CHANGES:**

None

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**STAFF RECOMMENDATIONS:** Staff recommends approval for payment of de-obligated funds as a result of Audit findings.

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**TOTAL COST** \$58,682.50

**BUDGETED:** Yes      No X

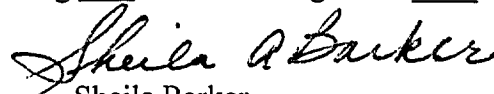
**COST TO COUNTY:** \$58,682.50

**SOURCE OF FUNDS:**                     

**REVENUE PRODUCING:** Yes      No      **AMOUNT PER MONTH**      **Year**     

**APPROVED BY:** County Atty      OMB/Purchasing      Risk Management     

**DIVISION DIRECTOR APPROVAL:**                     



Sheila Barker

(TYPE NAME HERE)

**DOCUMENTATION:** Included X To Follow      Not Required     

**DISPOSITION:**                                     

**AGENDA ITEM #** 42



# Federal Emergency Management Agency

Office of Inspector General  
Eastern District  
3003 Chamblee-Tucker Rd  
Atlanta, GA 30341

November 14, 2002

MEMORANDUM FOR: Kenneth O. Burris, Jr.  
Regional Director, Region IV  
*[Signature]*  
FROM: Gary J. Barard  
Eastern District Audit Manager  
SUBJECT: Monroe County, Florida  
FEMA Disaster 1259-DR-FL  
Audit Report No. E-06-03

RECEIVED  
2002 DEC 17 AM 10:32  
PUBLIC ASSISTANCE UNIT

The Office of Inspector General audited public assistance funds awarded to Monroe County, Florida. The objective of the audit was to determine whether the County accounted for and expended FEMA funds according to Federal regulations and FEMA guidelines.

The County received an award of \$2.6 million from the Florida Department of Community Affairs, a FEMA grantee, to remove debris and provide emergency protective measures as a result of Tropical Storm Mitch in November 1998. The awarded provided 75 percent FEMA funding for 1 large project and 2 small projects.<sup>1</sup> We limited our review to the \$2,603,676 awarded and claimed under the 1 large project (No. 00111).

The audit covered the period November 1998 to May 2001. During this period, the County received \$1,965,965 of FEMA funds under the large project.

We performed the audit under the authority of the Inspector General Act of 1978, as amended, and according to generally accepted government auditing standards. The audit included tests of the County's accounting records, a judgmental sample of expenditures, and other auditing procedures we considered necessary under the circumstances.

## RESULTS OF AUDIT

The County's claim included questioned costs of \$66,308 (FEMA share \$49,731) resulting from excessive debris removal charges and a math error.

<sup>1</sup> According to FEMA regulations, a large project costs \$47,100 or more and a small project costs less than \$47,100.

A. Excessive Debris Removal Charges. The County's claim included \$57,308 of excessive debris removal charges, as follows:

- The contractor billed the County for 47 cubic yards of debris per load for Truck No. 82 when the maximum capacity for the truck, according to the Trailer Capacity Measurements List, was 43 cubic yards. As a result, the County paid the contractor and charged the FEMA project with excess debris removal costs of \$48,433 (712.25 loads x 4 cubic yards x \$17 per cubic yard). Accordingly, we question these charges.
- The County's claim of \$86,010 for disposal of 1,389 tons of debris was overstated by \$8,875. The claim was based on a rate of \$61.93 per ton, a contract rate provided for processing the County's non-disaster related debris. The contract rate for disaster-related debris, however, was \$55.54 per ton, or \$6.39 per ton less. Accordingly, we question the excess charges of \$8,875 (1,389 tons x \$6.39 per ton).

B. Mathematical Error. The County received an overpayment of \$9,000 due to an error made by the FEMA inspector during final inspection of the project. The math error resulted in the County being reimbursed for costs of \$2,603,676 when actual costs totaled \$2,594,676, or \$9,000 less. Accordingly, we question the \$9,000 overpayment.

#### RECOMMENDATION

We recommend that the Regional Director, in coordination with the grantee, disallow the \$66,308 of questioned costs.

#### DISCUSSION WITH MANAGEMENT AND AUDIT FOLLOW-UP

We discussed the results of our audit with FEMA officials on August 14, 2002, and with County and grantee officials on August 16, 2002. County officials concurred with our findings.

Pursuant to FEMA, Instruction 1270.1, please advise the Eastern District Audit Branch by January 14, 2003, of actions taken to implement our recommendation. Should you have any questions concerning this report, please contact me or David Kimble at (770) 220-5242.

From Finance & Accounting

PRINT

BALANCE

SUMMARY

1259 - MITCH - QF134

SUB-GRANTEE DETAIL

19-May-04

VV SUB-GRANTEE VV  
MONROE COUNTY  
5100 COLLEGE ROAD  
KEY WEST, FL 33040

Vendor ID# F596000749110  
Contract # 99-RM-68-11-54-01-001  
Enc # G45874

P.A.I.D. # 087-00000

DATE	REFERENCE	CF	ENCUMBRANCES		PAYMENTS		FEDERAL BALANCE	STATE BALANCE
			FEDERAL	STATE	FEDERAL	STATE		
04-Dec-98	SUPP # 0		552,170.00	89,475.50	552,170.00		552,170.00	89,475.50
22-Dec-98	PAY # 1 V05772						0.00	89,475.50
27-Jan-99	SUPP # 1		5,793.00	940.00			5,793.00	90,415.50
13-Apr-99	PAY # 2 V09565				5,793.00		0.00	90,415.50
19-Feb-99	SUPP # 2		1,214,346.00	199,272.50			1,214,346.00	289,688.00
24-Aug-99	PAY # 3 V01888	**CF**			13,929.00		1,200,417.00	289,688.00
17-Nov-99	PAY # 4 V04531	**CF**			949,465.00		250,952.00	289,688.00
07-Nov-00	SUPP # 3		236,951.00	38,972.00			487,903.00	328,660.00
15-Nov-00	PAY # 5 V005095	**CF**			250,952.00		236,951.00	328,660.00
15-Nov-00	PAY # 5 V005098				236,951.00		0.00	328,660.00
15-Nov-00	PAY # 6 V005087	**CF**					0.00	38,972.00
15-Nov-00	PAY # 6 V005091						0.00	0.00
28-Feb-03	SUPP # 4 02/07/03		-50,394.00	-8,288.50			-50,394.00	-8,288.50
TOTAL >>			1,958,866.00	320,371.50	2,009,260.00	328,660.00	-50,394.00	-8,288.50

END OF VOUCHERS

FEDERAL STATE  
-----ENCUMBRANCES-----  
FEDERAL STATE  
-----PAYMENTS-----  
STATE DEOBS  
BALANCE BALANCE  
FEDERAL STATE

DATE: 05/18/2004  
TIME: 03:12PM

PAGE: 1

FEDERAL EMERGENCY MANAGEMENT AGENCY

P.2 - PROJECT APPLICATION SUMMARY  
DISASTER #: 1259

P.A. ID: 087-00000 APPLICANT: MONROE COUNTY  
SUPPLEMENT NO.: 4

DSR #	CAT	PROJECT COMPL DATE	APPROVED DSR AMOUNT	PROJECT DESCRIPTION
37569	G	02/05/2003	\$-66,308.00	PROJECT TITLE: DEOBLIGATION OF FUNDS DAMAGE DESC: DEOBLIGATE FUNDS BASED ON RESULTS OF OIG AUDIT E-06-03.
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CAT: G		( 1 DSRS)	\$-66,308.00	ELIGIBLE
			\$-49,731.00	75 % FEDERAL SHARE

GRAND TOTAL: 1 CATEGORIES  
1 DSR(S)

	ELIGIBLE	75 % FEDERAL SHARE	
DSRs:	\$-66,308.00	\$-49,731.00	
SUBGRANTEE ADMIN:	\$-663.00	\$-663.00	GRANTEE ADMIN: \$-504.00
TOTAL:	\$-66,971.00	\$-50,394.00	

ALL INSURANCE COMMITMENTS, WHERE APPLICABLE, HAVE BEEN SECURED AND ARE PART OF THE FILE  
ALL PROJECTS ARE IN COMPLIANCE WITH SECTION 405 OF P.L. 93-288

RECOMMENDED BY: \_\_\_\_\_  
PUBLIC ASSISTANCE OFFICER

DATE: \_\_\_\_\_

APPROVED BY: \_\_\_\_\_  
DISASTER RECOVERY MANAGER

DATE: \_\_\_\_\_

DATE: 05/18/2004  
TIME: 03:39PM

FEDERAL EMERGENCY MANAGEMENT AGENCY  
DAMAGE SURVEY REPORT  
PART I - PROJECT DESCRIPTION

DSR NO: 37569  
SUPP TO DSR:

APPLICANT NAME - MONROE COUNTY  
PROJECT TITLE - DEOBLIGATION OF FUNDS  
DAMAGED FACILITY -

COUNTY - MONROE  
INSPECTION DATE: 02/04/2003

DISASTER NO: 1259  
P.A.ID 087-00000

LOCATION -

CATEGORY G  
% COMPLETE 0  
WORK ACCOM BY: FORCE ACCT CONT

DAMAGE DESCRIPTION AND SCOPE OF ELIGIBLE WORK:

DEOBLIGATE FUNDS BASED ON RESULTS OF OIG AUDIT E-06-03.

RECOMMENDATION BY INSPECTOR

AGENCY

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FEDERAL - METCALF, CONEY B. JR.  
STATE -  
LOCAL -

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FEMA

PART II - ESTIMATED COST OF PROPOSED WORK

ITEM	CODE	MATERIAL AND/OR DESCRIPTION	UNIT	QTY	UNIT PRICE	COST
1	9999	DEOBLIGATE FUNDS	LS	1.00	\$-66,308.00	\$-66,308
TOTAL:						\$-66,308
AMOUNT ELIGIBLE:						\$-66,308
75 % FEDERAL SHARE:						\$-49,731

PART III - FLOOD PLAIN MANAGEMENT/HAZARD MITIGATION REVIEW

IN OR AFFECTS FLOOD- PLAIN OR WETLAND:	FLOODPLAIN LOCATION:	% DAMAGE	DISASTER HISTORY:	LAND USE U - D	FPM RECOMMEN- DATION:
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PART IV - FOR FEMA USE ONLY

AMOUNT	ELIGIBLE	SPECIAL CONSIDERATIONS	FLOODPLAIN REV. NO.	WORKSITE
\$-66,308	Y	MIS1F1		

DSR NO: 37569